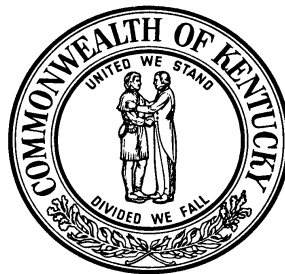


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
JOHNSON COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2007 Through June 30, 2008**



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Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Michael Stafford
Johnson County Property Valuation Administrator
Paintsville, Kentucky 41240

We have performed the procedures enumerated below, which were agreed to by the Johnson County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2007 through June 30, 2008. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Johnson County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2008), for all bank accounts, to determine if amounts are accurate.

Finding - The PVA has a receipts and disbursements ledger, however, a reconciliation of bank records to books each month was not maintained. The auditor performed a year-end reconciliation and the ending balance agrees to the PVA's ending balance.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding - Recorded city receipts agreed to amounts confirmed from the city government. The listing of city receipts appeared complete.



Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Michael Stafford
Johnson County Property Valuation Administrator
(Continued)

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding - The budgeted statutory contribution by the fiscal court agreed to the legally required amount calculated by the Department of Revenue. All fiscal court payments traced to the Property Valuation Administrator's local bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding - Eight of the 15 items tested agreed to cancelled checks and paid invoices. Seven of the 15 expenditures tested were paid using a bill pay system through the PVA's bank account. These payments paid from this bill pay system agreed to invoices.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding - No capital outlay disbursements were noted for the period ending June 30, 2008.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding - The Property Valuation Administrator had no personal or professional service contracts. Vehicle lease agreements were adequately documented and payments agreed to cost schedules.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding - The PVA overspent the final budget in the 200 account series, however, the overall budget was not overspent.

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Michael Stafford
Johnson County Property Valuation Administrator
(Continued)

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding - The Property Valuation Administrator's funds did not exceed Federal Deposit Insurance Coverage, therefore, no collateral agreement was necessary.

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding - Timesheets were completed, maintained, approved, and supported hours worked.

10. Procedure -

For newly hired employees, during July 1, 2007 through June 30, 2008, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding - No new employees were hired during July 1, 2007 through June 30, 2008.

11. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding - The PVA was closed two days other than the state's approved holidays. The PVA had the Judge's executive order but did not prepare a Closing of the PVA Office form.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

August 21, 2008